115 UC SCANDALS SINCE 1992

May 29,1996

Audit Reveals Waste of Cancer Funds

April 16, 1996 — UC spent more than \$10,000 in breast cancer research funds to stay at a posh San Francisco hotel less than 10 miles from their Oakland office. (Scandal #115: SF Chronicle).

Admission Preferences for Wealthy Exposed

March 16, 1996 — Admission committees admit to giving preferences to offspring of well connected and wealthy individuals. (Scandal #112: LA Times)

Pension Fund Endangered

March 13, 1996 — Computer hackers could have looted funds from the UC Retirement System's \$20 billion pension fund because of lax computer security and improper procedures. An audit completed by Infortal Associates revealed that "should major financial losses result from this lack of protection, a court would very likely find lack of 'due diligence' " by UC (Scandal #111: Oakland Tribune).

Regents Guilty of Wage Fraud Must Pay \$7 Million

January 18, 1996 — The University of California has been ordered to pay \$7 million in back wages for technical employees. Judge Gary Gallery ruled that UC was guilty of wage fraud. He found that UC was retaliating against UC employees that had voted to join the University Professional and Technical Employees union in 1994. During the union election campaign UC executives threatened to withhold the pay increase if workers voted to unionize. The UC Regents were found to be clearly in violation of state law.

Included in the \$7 million is a 10% annual interest payment amounting to over a million dollars. The interest is largely the penalty that taxpayers must bear because of the UC Regents' mismanagement of labor relations (Scandal #105: SF Examiner).

Sex Discrimination: Case Costs UC \$1 Million

January 9 1996 — UC was forced to settle a suit brought by former UC Professor Marcy Wang who was denied tenure in the male dominated architecture department at UC Berkeley. UC agreed to pay a million dollars in an out-of-court settlement. Ms. Wang has received lavish praise for her teaching and research, but her lawyer said that she was blackballed because the "old boys club" felt she didn't "fit in" (Scandall #104: SF Examiner, p.15)).

2,500 in UC's \$100,000 Club

December 26, 1995 — Despite budget cuts that have kept the UC system in a state of financial crisis for the past five years, more than 2,500 UC employees earned more than \$100,000 last year—twice the number in all the rest of state government. Only one woman received one of the top 50 salaries. Average pay for a UC Berkeley full professor was \$80,000. Most UC employees get much less (#103: SF Examiner).

UC tries to buy off Professor in Discrimination Case

UC found guilty of age and race discrimination in not hiring Professor Acuña seeks to pay larger cash settlement rather than have him teach. (Scandal 109)

UC Conflict of Interest

April 14, 1994 — A private corporation, TCS Enterprises, dropped its bid to buy out the UCSD print shop after UPTE publicized a conflict of interest in the bidding process. UC Regent Clair Burgener sits on the board of TCS, which was the only bidder. The sale would have eliminated more than fifty UC jobs (Scandal 108).

UC Executives Get Huge Pay Boost

December 1993 — UC Regents approve raises for hospital administrators averaging 21%. The administrators' pay scales range from \$90,000 to \$250,000 (Scandal 107: SF Examiner).

UC Cuts Staff Pay 3.5%

July 1993 — The University imposes a 3.5% pay cut on UC employees (Scandal

Scandal #102. Con artist hired in conflict of interest commits fraud at UC (SF Chronicle, December 11, 1995 p.1).

Scandal #101. UC sued for injecting plutonium into plaintiff's father (SF Chronicle, December 9, 1995 p. A14).

UC \$400,000 More Top Heavy

December 6, 1995 — A new position of vice president of clinical services, which will pay nearly \$400,000, is filled by Bill Gurtner, former senior VP at Blue Cross. Regents cite possible loss of profitability as justification, but UC hospitals have been profitable for several years including 5% on revenue of \$1.7 billion last year (Scandal #100: SF Chronicle,).

Scandal #99. The AAUP investigates the Board of Regents saying that "the future of higher education is at stake." Up until July 20 admissions policy had been left to UC faculty as part of shared governance (San Rafael Independent Journal, December 3, 1995).

Doctors Still on Payroll after Fleeing Country

November 17, 1995 — UC Irvine Chancellor admits that doctors who have fled the country to avoid investigation by the FBI and prosecution for their crime of stealing human eggs are still on the UC payroll. Large checks are still being deposited in the doctors' bank accounts despite the fact that they are no longer working for UC.(Scandal #98: SF Examiner).

Scandal #97. UC Davis employee charged with embezzling \$80,000 from a fund for children. (Oakland Tribune, November 10, 1995, p.A13).

Scandal #96. Regents limit public discussion (Daily Cal, October 18,1995) and refuse to talk about affirmative action at their November meeting in spite of the fact that UC Irvine students are on a hunger strike for affirmative action and reduced student fees (Oakland Tribune, November 6, 1995, p.1).

Scandal #95. UCB lent its name to real estate mogul Kenneth Behring's museums in 1983 with the understanding that the Blackhawk museums would be used to advance the educational purposes of the University. UC backed a special state law that would exempt his \$80 million car collection from \$1.4 million in use taxes. Behring got his tax break and built an adjoining museum to house UCB art, paleontology, and anthropology collections. However, in 1995 these collections were returned to Berkeley because Behring wanted to display more auto art (Oakland Tribune, October 29, 1995, p. C1).

Scandal #94. UC stalls for 7 years on clean up of radioactive waste in ground water at UC Davis. The contaminated plume of ground water under the radioactive site is seeping east at a rate up to 20 times faster than previously thought, threatening drinking water supplies in the surrounding area (Sacramento News & Review, October 19, 1995).

Scandal #93. Raises are given to 266 top executives including Chancellor Tien who received a 10% increase (SF Examiner, September 16, 1995 p. A15).

Scandal #92. A class action suit is filed against Lawrence Berkeley Lab for "secretly conducting illegal medical tests on thousands of its employees." "Blood and urine samples, taken during mandated employee medical exams, were ... tested for syphilis, pregnancy, and sickle cell anemia without the employees' knowledge or consent," said attorney Vicki Laden (SF Chronicle, September 12, 1995, p.A13).

Scandal #91. Regent Ward Connerly says the UC chancellors and others upset by the Regents' anti-affirmative action vote "should either quit or be fired" (Sacramento Bee, August 17, 1995, p.1). This attitude would seem to threaten the concept of tenure.

Scandal #90. Ex-UCSF Professor Odelia Braun claims scapegoating in suit. \$600,000 was missing from center for paramedic training, but Braun says 1992 audit found no evidence of wrongdoing (SF Examiner, August 7 1995, p. A3).

UC Manager Defrauds Taxpayers of \$900,000

August 1, 1995 — Over a period of nine years, Diana Spagniol, a manager in UC's Office of the President, embezzled more than \$900,000. Spagniol was responsible for overseeing payments of claims against the University. She would create fraudulent claims and write settlement checks to herself and her daughter (Scandal #89: SF Chronicle, August 1, 1995 p. 1, and August 24, 1995, p. A15)

The Spagniol case is part of a pattern of mismanagement of tax dollars by UC. In March of 1994, UC employee Mary Nichols was sentenced to 5 years for making out checks to imaginary guest speakers; the money was deposited in her personal account. In May 1994, an administrator at UCLA was fired for authorizing 1.2 million in excessive fees for temporary employment registries for which he allegedly had business connections. (Scandal #89: Oakland Tribune).

Scandal #88. The San Francisco Examiner called the Regents' July 20, anti-affirmative action decision "morally bankrupt." The paper featured a "dishonor roll" of regents who "prejudicially abandoned 40 years of educational progress for blacks and other minorities" (SF Examiner, July 23, 1995). The Sacramento Bee criticized

Gov. Wilson as follows: "Wilson and his hack regents used a great university for the basest of political purposes. The damage will not be quickly repaired (Sacramento Bee, July 22, 1995, p. B6).

UC Pays \$900,000 to Silence Whistle Blower

July 20, 1995 — UC pays \$900,000 to stop whistle blowers in UCI fertility clinic scandal. Complaints about the clinic were ignored and whistle blowers dismissed, but the settlement seeks to keep them quit with a nondisclosure clause (Scandal #87: LA Times).

Scandal #86. The first choice to replace outgoing UC President Peltason is Ohio State President Gordon Gee who had secretly (without trustee consent) granted pay increases of more than \$10,000 for his four top lieutenants at a university in Colorado. Despite the problem that UC has had with secret pay increases for top executives, Regent Brophy says "he doesn't care," but the controversy leads Gee to decline the job offer (SF Chronicle, June 21, 1995, p. 1 & SF Examiner, June 22, 1995 p. A17).

Doctors Steal Women's Eggs to Fake Genetic Pregnancies

June 2, 1995 — Doctors at the UC Irvine fertility clinic were found to be faking fertility results and pocketing large cash fees. In a story originally reported in the Orange County Register, three UCI doctors took women's eggs during examinations and implanted them in other women. This usually was done without the knowledge or consent of either woman involved. Women would come to the clinic in order to improve their own fertility and become pregnant, but the fertility improvement was faked by using other eggs. This has caused a rash of lawsuits. The doctors kept over \$167,000 in cash receipts and didn't report over \$800,000 under a contract in which a portion of the doctors' fees were to go to UC (Scandal #85: LA Times).

Scandal #84. The ground water beneath the Lawrence Berkeley Lab [LBL] contains dangerous amounts of solvents, fuels, and radioactive tritium. Cleaning up the lab is estimated to cost \$289 million (Oakland Tribune, April 4, 1995, p. A7).

Sex Discrimination: UC to pay another \$1.1 million

February 26, 1995, A jury awarded \$1.1 million to UCLA Associate Professor Antoinette Gomes in her sexual discrimination lawsuit against the UC Regents and the chair of the radiological sciences department. Gomes was denied research opportunities, frequently verbally abused with a sexist epithet, and twice denied promotion to full professor (Scandal #83: SF Examiner, p. C6).

Scandal #82. UC's female professors are paid less than male faculty. In January, UC Davis's faculty voted to suspend a process for equalizing pay between male and female professors. Women were paid \$7,800 less as full professors, \$3,100 less as associate professors and \$1,800 less as assistant professors. (SF Chronicle, January 14, 1995).

Scandal #81. Lawrence Livermore Lab [LLL] misspends \$700,000. LLL overcharged 10 government agencies by diverting funds to other projects whose funding had run out. The \$700,000 in overcharges will be repaid to DOE out of UC's 1994).

Scandal #80. Vice President Massey received \$1,500 for a speech that UC staff wrote (SF Examiner, November 27, 1994, p. B1).

Scandal #79. UCLA paid out more than \$1 million in confidential settlements over four years to women who were raped, sexually harassed, or discriminated against on that campus (SF Examiner, November 20, 1994, p. B1).

Scandal #78. Questions of conflict of interest are raised by the report that President Peltason, eight of his aides, and several chancellors including Atkinson and Tien sit on the boards of corporations that do business with the University. (SF Examiner, October 23, 1994, p. 1).

Scandal #77. Union leaders produce evidence that University chancellors in violation of state law are trying to intimidate and discourage university workers from voting for union representation (Daily Californian, October 21, 1994, p. 1).

Scandal #76. Congressman John Dingell accused the University of ripping off taxpayers in bloated pension payments and unjustified management costs via Lawrence Livermore Labs (Oakland Tribune, October 20, 1994, p. 1).

Scandal #75. A whistle-blower probe at UCSF targets Dr. Dennis Mangano. Mangano is charged with competing with UC for research contracts though a foundation that he established in 1987. This conflict of interest and other charges are being investigated by UCSF (SF Chronicle, October 7, 1994, p. A21).

Scandal #74. UCSF participation in the "Committee on Jobs" is exposed. The Committee on Jobs is a corporate political action committee for downtown business interests. It has been involved in local lobbying and initiatives. UCSF was paying \$15,000 in annual dues to the committee (SF Bay Guardian, July 27, 1994, p. 10).

Scandal #73. UC pays \$60,000 to media consultant to deal with scandals in the press. Regent Bagley is quoted as saying "The concept is not to fix anything, but to get the university back in the public mind in a positive way." The Examiner called this a \$60,000 polishing job. (July 24, 1994, p. A14).

Scandal #72. UC had to pay \$625,000 to settle a lawsuit because an immunologist was accused of falsifying data (SF Chronicle, July 23, 1994 p. A23).

Scandal #71. A fraud probe is conducted at UCSF's center for CPR training. Sources said the center was plagued by financial mismanagement (SF Chronicle, July 22, 1994 p. 1).

Scandal #70. The Regents vote for yet another student fee increase (Oakland Tribune, July 16, 1994, p. 1).

Scandal #69. The California Department of Toxic Substance Control recently cited the University for failing to test and label hazardous waste, as well as for improperly packaging waste for transport on public roads (SF Chronicle, July 8, 1994 p.20).

Civil Rights Probe at UCSC

May 4, 1994 — UCSC has failed to address adequately "severe and pervasive" sexual harassment of female students and employees, according to the U.S. Department of Education. The Department's Office of Civil Rights found that UC's repeated failure to respond to complaints—including allegations of rape, sex assaults

and verbal abuse-has led to a "discriminatory environment" for women on campus.(Scandal #68: SF Examiner, May 4, 1994).

Scandal #67. In one of UC's secret meetings President Peltason says that State legislators who turned down the first regent in over 100 years should suffer "political pain and penalty" (SF Examiner, March 20, p. 1).

Scandal #66. Legislators and 2 regents call for Peltason to resign (SF

Examiner, March 21).

Scandal #65. Fifty UC lawyers and other administrators get \$2,000 raises. Vice chancellors Heilbron and Boggan get \$9,500 and \$10,000 in raises. Student fees go up \$620 to \$4,347 per year (Daily Californian, January 25, 1994, p. 1).

Scandal #64. UCSF has been holding secret meetings with Congresswoman Pelosi's office regarding acquisition of Presidio land for research facilities (SF Bay

Guardian, June 15, 1994 & July 13, 1994).

Scandal #63. UC Berkeley officials celebrate \$1 million endowment from a foundation run by Ryoichi Sasakawa, a 90 year old Japanese fascist with reputed ties to Japan's mafia, the Yakuza. (Daily Californian, February 12, 1992).

Scandal #62. A report from the Higher Education Policy Center in San Jose says the quality of education is heading downhill. UC has lost about 5,000 faculty

positions (Oakland Tribune, August 25, 1993).

Scandal #61. The Department of Education's Office of Civil Rights finds UC Berkeley's sexual harassment grievance procedures to be inadequate (Oakland Tribune, December 3, 1992).

Scandal #60. UC officials may have violated the state political reform act by failing to report gifts they received from Alameda developer Ron Cowan (Oakland

Tribune, July 13, 1993).

Scandal #59. State Senator Art Torres criticized a \$204,000 paidleave package given to a retiring senior executive in the middle of student fee hikes and staff pay cuts (Oakland Tribune, May 21, 1993).

Scandal #58. UC spends more than \$121,000 in a SLAPP (Strategic Lawsuit Against Public Participation) against Peoples Park activists (California Public Records Act disclosure, November 1993).

Scandal #57. UC spends \$26,000 on Hawaii junkets for 3 top UC officials (Sacramento Bee, August 27 1992).

Scandal #56. U.S. lawsuit accuses UC San Diego of fraudulently obtaining \$750,000 in research grants (S.F. Chronicle, August 25, 1993).

Scandal #55. More than 900 calls to Senate hotline concerning ways to cut UC costs (S.F. Examiner, August 5, 1993).

Scandal #54. UC demolishes landmark Cowell Hospital to make way for new business school (Oakland Tribune, August 1, 1993).

Scandal #53. Mismanagement by UC Berkeley results in \$86.4 million federal toxic cleanup of Lawrence Berkeley Laboratory (S.F. Bay Guardian, July 21, 1993).

Scandal #52. Audit reveals conflict of interest: UC officials received gifts from an Alameda developer who was seeking the construction of UC research facilities in his business park (S.F. Chronicle, July 13, 1993).

Scandal #51. UC admits to secret stock deals with companies marketing

products developed in UC labs (S.F. Examiner, June 20, 1993).

Scandal #50. UC Berkeley Employees Union files unfair labor practices charge, accusing university of using layoffs to intimidate employees (Berkeley Voice,

Scandal #49. UC Berkeley eliminates Master of Fine Arts program (Daily Californian, April 24, 1993).

Scandal #48. UC Berkeley students vote for elected regents in campus elections (Daily Californian, April 20, 1993). Regents and executives spread the big lie that elected regents would "politicize" the board and the University. Note that a public institution the size of UC is inherently political, but its leaders need not practice partisan politics like the current UC Board of Regents.

Scandal #47. Cost of building volleyball courts in People's Park put at \$2

million (Oakland Tribune, March 26, 1993).

Scandal #46. Regents appear in videotape promoting Alameda developer's business park (Oakland Tribune, March 14, 1993).

Scandal #45. UC vice president linked to Alameda developer seeking to locate a UCSF campus in his business park (S.F. Examiner, February 10, 1992).

Scandal #44. UC Berkeley doctoral graduates found to be 86% white and 75%

male (Berkeley Graduates magazine, November 1992).

Scandal #43. UC Berkeley demolishes landmark Kappa Sigma fraternity house as part of campus expansion (Daily Californian, August 24, 1992).

Scandal #42. UC Berkeley pays illegally arrested sidewalk chalkers \$25,000

to settle lawsuit (Daily Californian Aug. 10, 1992).

Scandal #41. UC Berkeley Chancellor Tien is quoted as saying he wants violence at People's Park demonstrations to show the Board of Regents he is tough (East Bay Express, August 9, 1992).

Scandal #40. New UC president to get over \$400,000 a year (S.F. Chronicle, July 30, 1992).

Scandal #39. Disclosure that a consulting firm which urges higher salaries for UC officials also receives \$1 million a year from other business with UC (S.F. Chronicle, July 19, 1992).

Scandal #38. Lawsuit charges cover-up of questionable deaths of animals used in UC Berkeley research labs (Daily Californian, July 8, 1992).

Scandal #37. UC President David Gardner uses UC position to take out \$200,000 no-health-check insurance policy on his wife three months before she dies of cancer (S.F. Examiner, June 7, 1992).

Scandal #36. U.S. Department of Education investigates UC Berkeley's handling of sex harassment charge against UC police officer (Oakland Tribune, May 29, 1992).

Scandal #35. Top UC Berkeley administrator retires after disclosure he received low-interest loan from program he developed (Daily Californian, May 14, 1992).

Scandal #34. UC loses \$110,000 buying and selling Gardner's Utah home. Gardner makes \$150,000 profit (Associated Press, May 8, 1992).

Scandal #33. Deferred pay for top 22 UC officials found to be twice what UC previously reported (San Jose Mercury News, May 6, 1992).

Scandal #32. Regents freeze pay for faculty and staff (Daily Californian, April

30, 1992).

Scandal #31. UC plans \$1.5 million in raises for top officials over next three years (Oakland Tribune, April 10, 1992).

Scandal #30. State report says UC officials are paid substantially more than counterparts throughout the nation (S.F. Chronicle, April 9, 1992).

Scandal #29. UC revealed as largest single stockholder in Georgia-Pacific,

which logs old-growth redwood trees (Sacramento Bee, February 4, 1992).

Scandal #28. UC ranked second most expensive public university to attend in U.S. (College Board's College Handbook, 1992).

Scandal #27. The University of California ranked sixth largest nuclear weapons contractor, behind five major corporations (Nuclear Free America, 1989).

Scandal #26. Berkeley campus Registrar fired after he used his office and staff to operate a private consulting firm and spent over \$12,000 on non-campus-related business (S.F. Examiner, August 9, 1993).

Scandal #25. A House energy subcommittee demands Dept. of Energy take back millions in alleged overpayments to UC's pension fund (Oakland Tribune, May 28, 1993).

Scandal #24. UC's secret stock deals include a UC-backed firm that founders before it starts (S.F. Examiner, June 20, 1993).

Scandal #23. Average personal wealth members of the Board of Regent is over \$700,000 (Sacramento Bee, July 26, 1992).

Scandal #22. UC is eliminating 1,000 jobs and cutting employees' pay by 5 percent (Oakland Tribune, May 13, 1993).

Scandal #21. UC Senior Vice President, Ronald Brady, is given \$181,000 in paid leave. Brady's one year leave was approved by former UC president David Gardner before Gardner retired last year (Oakland Tribune, May 13, 1993).

Scandal #20. UC patent officer Carl Wooten steered contracts worth more than \$367,000 to a longtime friend and former business partner (S.F. Examiner, August 8, 1993).

Scandal #19. UC Regents tried to downplay the \$2.4 million Gardner deal. Transcripts show they were well aware of probable public outcry over the package (S.F. Chronicle April 16, 1992).

Scandal #18. UC president David Gardner votes to keep \$3.1 billion investments in South Africa (Daily Californian, July 23, 1986).

Scandal #17. UCLA Chancellor Chuck Young billed the university \$600 for a golf tournament (Sacramento Bee, August 27, 1992).

Scandal #16. The inspector general of the US Department of Energy reveals that the UC regents withheld information from the DOE about an insider trading investigation involving Lawrence Livermore Laboratory, and proposes barring UC from doing business with the federal government (Oakland Tribune, January 15, 1993).

Scandal #15. UC proposes a \$9 million hazardous waste storage site in the hills above the UC campus at Berkeley, 2,000 feet from the Hayward earthquake fault (Oakland Tribune August 31 1993).

Scandal #14. A Chico rancher received a \$3 million settlement in a libel suit against UC after the university blamed him for the death of 500 of his prize cows. The rancher charged UC with deliberately covering up for state and federal officials who had poisoned his cows with pesticide (S.F. Chronicle August 14, 1992).

Scandal #13. Legal fees paid to outside law firms have soared to \$23 million, nearly doubling in the past three years (S.F. Chronicle, July 23, 1993).

Scandal #12. UCLA Chancellor Charles E. Young received a low-interest loan from UC of \$995,000 to buy a \$1 million house (The Washington Spectator, June 1,

Scandal #11. UC seeks fee increases for students and raises for three chancellors (S.F. Chronicle November 14, 1992).

Scandal #10. Governor Wilson appoints close friend John Davies to the UC Board of Regents. Davies owns \$1.3 million in property and had contributed \$35,000 to Wilson's last campaign and inaugural (S.F. Weekly, January 27, 1993).

Scandal #9. State Senator Tom Hayden reports that UC pays 1,700 employees salaries in excess of \$100,000. UC has excluded 12,500 students since 1991 (Daily Californian, May 28, 1993).

Scandal #8. Two UCSF psychologists sued the university because of sexual harassment from their supervisor. They were then fired by UC (S.F. Weekly, September 29, 1993).

Scandal #7. The UC-managed nuclear weapons lab, Lawrence Livermore, will cost \$442.476 million to cleanup and Los Alamos will cost \$1.229 billion, according to the Department of Energy (U.S. News and World Report, December 14, 1992).

Scandal #6. UC has spent more than \$800,000 for an infrequently used president's office in Irvine, including Wedgwood china, crystal brandy snifters, and \$45,000 for two Iranian carpets (Sacramento Bee, August 27, 1992).

Scandal #5. UC officials have predicted student fee increases of between \$600 and \$650 for the 1994-95 school year and each succeeding year (Daily Californian, October 8, 1993).

Scandal #4. UC student fees rise 128% over the last four years (Daily Californian, October 8, 1993).

Scandal #3. The State blames administrative mismanagement for UC's decline (Oakland Tribune, August 25, 1993).

Scandal #2. The UC Regents, at a closed meeting, approve \$797,000 payment plus \$1,300,000-a-year pension for a total retirement package of \$2.4 million for outgoing UC President David Pierpont Gardner (S.F. Chronicle, July 19, 1993).

Scandal #1. UC hires junk bond dealer, Michael Milken, to teach corporate finance at UCLA. Milken was previously convicted of a felony and sentenced to ten years in prison (Oakland Tribune, October 13, 1993).

THIS LIST WAS PREPARED BY THE COMMITTEE FOR A RESPONSIBLE UNIVERSITY (415) 647-2775

These scandals demonstrate a structural problem in the governance of the University of California—the Regents and executives are not accountable. We need a constitutional amendment to make them more accountable and at the same time make the UC system more independent from the partisan politics of the Governor's office. This can be accomplished by a balanced system of appointing members to the Board of Regents. The Committee for a Responsible University recommends a constitutional amendment that includes an equal number of appointments from the local campus communities, and state government.

DEMOCRATIZE THE UC REGENTS!